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EXTRAORDINARY

PART I—Section 1

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MINISTRY OF COMMERCE AND INDUSTRY

PUBLIC NOTICE

IMPORT TRADE CONTROL

New Delhi, the 11th September 1958

SUBJECT.—*Import of automobile components under the Development Loan Fund Programme*

No. 76-ITC(PN)/58.—The procedure for the import of automobile components under the D.L.F. Programme will be as follows:—

- (1) Applications from approved automobile manufacturers for import in the usual form and in accordance with the normal procedure should be submitted to the Industrial Adviser (Engineering), Development Wing, Udyog Bhavan, New Delhi.
- (2) Orders for automobile components placed on or after the 4th March, 1958 only will be eligible for financing under this Programme.
- (3) The import licences issued under the programme will be governed by the conditions set out in this Public Notice as amended from time to time.
- (4) The Chief Controller of Imports and Exports, New Delhi, may amend or revoke the import licences at any time by furnishing the importer reasonable advance written notice thereof.
- (5) Payment against the import licences may be made by the licencees through authorised dealers in the foreign exchange in the normal manner, but the suppliers' invoices and the receipts for payments received by them should be forwarded to the Ministry of Finance (Department of Economic Affairs) within a fortnight from the date of payment. The Government of India will obtain reimbursement later from the D.L.F. set up by the United States Government. The attention of the suppliers should be drawn to this fact and their co-operation secured in complying with the necessary conditions laid down or to be laid down from time to time.
- (6) Firm orders must be placed on the suppliers within 3 months from the date of issue of the licences and goods imported within the validity period of the licences. Within a fortnight of the placement of orders, a report, in triplicate, should be sent to the Licensing Authority, supported by the following information/documents:—
 - (a) No., date and value of the licence;
 - (b) Value of the order placed and accepted by the supplier;
 - (c) Name and address of the supplier;
 - (d) General description of the equipments to be imported;

- (e) Name and address of the authorised dealer in foreign exchange through whom the payment is to be effected; and
- (f) A copy of the order placed on the supplier and of his acceptance.

Any change in the terms of the order should be intimated promptly to the Licensing Authority.

- (7) All components should be purchased from the foreign collaborating firms concerned. In all cases, the prices paid for the components should be the cheapest world export market price charged by the collaborator and in no case should an order be placed at a price exceeding that indicated by the importer to Government in submitting the import application and on the basis of which the import licence is issued. The prices at which contracts are concluded by the importer will be subject to check by the Indian Government. Any contracts entered into in violation of the conditions of this paragraph will render the licence liable to cancellation.
- (8) Commodities imported under these import licences shall be used only for the purposes for which the import licence is issued and/or in accordance with such conditions as may hereafter be prescribed by the Ministry of Commerce and Industry. The importer shall promptly furnish to the Ministry all relevant information concerning details of purchase and use of commodities obtained under these import licences.
- (9) It will be incumbent on the importer and his designated Indian Bank to ensure that the following documents, duly completed, are submitted to the Ministry of Finance (Department of Economic Affairs) under intimation to the Deputy Economic Adviser, Ministry of Commerce and Industry, Udyog Bhavan, New Delhi, immediately after payments are made to the suppliers against the import licences:—
 - (i) Supplier's certificate, in triplicate, with invoice-and-contract abstract on reverse side (Form ICA-280), set out in Annexure I, covering the following:—
 - (a) *Cost of commodity*.—The cost of the commodity, including the costs of ocean freight and/or marine insurance when such costs are paid by the supplier.
 - (b) *Cost of ocean freight*.—The cost of ocean freight to be executed by the ocean carrier.
 - (c) *Cost of marine insurance*.—The cost of marine insurance to be executed by the insurer, insurance broker, or underwriter.
 - (ii) Evidence for shipment—Bill of Lading.
 - (iii) Supplier's invoice—One copy (or photostat) of supplier's invoice showing quantity, description, gross sales price, net sales price and basis of delivery of the commodities or services and either (i) marked 'paid' by the suppliers or (ii) endorsed by, or accompanied by a certificate of an officer of the banking institution indicating that payment has been made in the amount shown in the invoice.
 - (iv) A copy of the Purchase Order or contract.
 - (v) Additional or substitute documents as may be required by the Ministry of Finance (Department of Economic Affairs).
- (10) The supplier's certificate, invoices etc. referred to in para. 9 should relate only to payments made to the foreign collaborating firm. All other payments or commission should be indicated separately by the importer.
- (11) *Importer's Instructions to Suppliers*.—The importer should apprise the suppliers of any special provisions in the import licences which affect the suppliers in carrying out the transaction.
- (12) Shipments from the U.S.A. should be made only in ships registered in the U.S.A. For contracts outside the U.S.A., reimbursement for ocean freight is not financed by the D.L.F. in case where cargoes are shipped in Indian Flag Vessels.
- (13) In respect of all purchases outside the U.S.A., insurance must be covered with an Indian Insurance Company. The payment of insurance premium should be in rupees and it should be ensured that in case of damage or loss the compensation will be payable by the insurance company in dollars. Contracts with suppliers in U.S.A. should be covered with insurance with U.S.A. companies.

- (14) Claims for damage and deficiency in quality and specifications, shall be settled by payment in U.S. Dollars, the payment being remitted by the supplier to the concerned bank in India of the importer. Immediately upon the settlement of such claims the importer should notify the Ministry of Commerce and Industry of the details of such payments. It is imperative that importers should receive the dollar claims in India and should, in no case, arrange for their being credited to their accounts with the suppliers.
- (15) It should be understood that the Government of India will not undertake any responsibility for disputes, if any, that may arise between the importers and the suppliers.
- (16) The importer shall promptly comply with any directions, instructions or orders issued by the Ministry of Commerce and Industry regarding any and all matters arising from or pertaining to the import licences.
- (17) Importers shall comply with such other conditions as may be laid down by Government from time to time for meeting the obligations under the D.L.F. agreement.

ANNEXURE I TO PUBLIC NOTICE No. 76-ITC (PN)/58, DATED 11-9-58.

Supplier's Certificate

The supplier hereby acknowledges notice that the sum indicated on the accompanying invoice as claimed to be due and owing under terms of the under-lying contract is to be reimbursed from funds made available by the United States under the Mutual Security Act, as in effect on the date hereof, and subject to ICA Regulation 1, as amended, and further certifies and agrees with the Director of the International Co-operation Administration (ICA) as follows:—

- (1) The supplier is entitled under said contract to the payment of the sum claimed and he will promptly make appropriate refund to the buyer upon request of the buyer at the instance of the Director through the Government of India in the event of his non-performance, in whole or in part, under said contract, or for any breach by him of the terms of this certificate.
- (2) Adjustment refunds or credits arising out of the terms of the contract or the customs of the trade shall be made direct to the buyer, but the supplier will promptly notify the Director concerning any such adjustment refunds or credits, so that the Director may obtain appropriate refund from the co-operating country. If an adjustment results in an additional charge to the purchaser, the supplier will promptly notify the Director of such additional charge.
- (3) If the said contract is on a C & F (cost and freight) or a CIF (Cost, insurance & freight) basis, the supplier is entitled to payment, under ICA Regulation 1, as amended, of any ocean freight charges included in the sum claimed. The supplier is entitled to payment, under ICA Regulation 1, as amended, of any ocean marine insurance premium charges included in the sum claimed.
- (4) The supplier is the producer, manufacturer, processor, or exporter of, or a regular dealer in, the commodity, or furnishes the service covered by said contract and has not employed any person to obtain said contract under any agreement for a commission, percentage, or contingent fee, except to the extent, if any, of the payment of a commission to a *bonafide* established commercial or selling agent employed by the supplier as disclosed on the reverse of this form.
- (5) The supplier has not given or received and will not give or receive by way of side payment, "kickbacks", or otherwise, any benefit in connection with said contract except as is disclosed on the reverse of this form, or as is the result of the adjustments referred to in Paragraph 2.
- (6) If the supplier is the producer, manufacturer or processor of a commodity, said contract is not a cost plus-a-percentage-of-cost contract.
- (7) The supplier further certifies, on the basis of information obtained from such sources as are available to him, that to the best of his information and belief the purchase price is no higher than the market price (which shall mean the export market price, where such a price is customary in the trade) prevailing in the United States at the time of purchase, adjusted for differences in the cost of transportation to destination, quality, and terms of payment.

- (8) The supplier further certifies that (a) on the basis of information obtained from such sources as are available to him, and to the best of his information and belief, the purchase price is no higher than the price calculated in accordance with the applicable price provisions of ICA Regulation 1, as amended, and he has complied with the rules provided therein; and (b) he has allowed all discounts, including discounts for quantity purchases and prompt payment, customarily allowed his other customers similarly situated.
- (9) If the supplier furnishes only a service, he shall not be deemed to certify to paragraphs 7 and 8 but instead certifies that the rate indicated on the reverse of this form for the service rendered does not exceed the prevailing rate, if any, for similar services, or the rate paid to the supplier for similar services by other customers similarly situated.
- (10) The supplier has filled in the applicable portions of the invoice-and-contract abstract on the reverse hereof, certifies to the correctness of the information shown therein, and will furnish promptly to the Director at his request such additional information in such form as the Director may require concerning price or any other details of the purchase.

INVOICE-AND-CONTRACT ABSTRACT

Invoice information—this space for I. C. A. use only

1. Procurement authorisation or project implementation order No.	2. Invoice amount after discount	3. Source country		4. Gross long tons		
5. Vessel—Name	Bulk	Berth	Tanker	6. Flag	7. Port of exit	8. Date B/I
9. Commodity or service—In English	10. I.C.A. Code	11. Invoice date	12. Quantity	13. Quantity unit	14. Unit Price	15. Shipping terms
16. Suppliers name, address and social security employer No.	17. Class of supplier (check one) manufacturer, producer, or processor—Primary seller			18. Importer's name and address		
	Merchant exporter or other—Secondary seller					

Information as to Agents' Commissions, Domestic and Foreign

19. Names of assets	20. Addresses	21. Commissions in invoice amount paid or to be paid
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Contract and price information

22. Contract dates	23. Contract shipping terms	24. Contract amount	25. Contract quantity	26. Contract unit price	27. Domestic unit price
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28. Specify the items and amounts that will account for any differences between contract, invoice, and domestic unit prices,

S. N. BILGRAMI, Jt. Secy.

